Develop Israel with Israel Bonds

THE JERUSALEM POST

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Marginal Column

By SEVEV LAQUEUR

THE launching of commercial television (I.T.A.) in Britain this September breaks the monopoly of the B.B.C. and is generally regarded here as an interesting experiment though it may break some other things as well. On posters throughout this city, owners of T.V. sets are admonished to have their sets adjusted in time — which in some cases means a major operation, in others only a new aerial. They are also told that commercial television will star Bob Hope, the Halle Orchestra and other leading entertainers in all fields. What will be the outcome of the competition between the B.B.C. and commercial television?

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THE I.T.A. will be dependent entirely on money paid by advertisers, whereas the B.B.C. gets about £15m. a year from licences. Advertisers in the I.T.A., as a writer in the "Times" television supplement says, "are interested only in selling their wares, and for this purpose they will wish the programme to which their advertising is juxtaposed to be seen by the greatest possible number of people."

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ON the other hand, there will be an I.T.A Board to prevent the worst excesses that have marred the record of American radio and television. There will be no soap opera or the famous interruptions. Some minimum standards will be maintained, and the fears of a steep decline in the level are therefore probably somewhat exaggerated. It is more likely that the advertisers (for whom the Halle Orchestra, for example, is a waste of time and money as far as the sale of their goods and mass appeal is concerned) will gradually lose interest. The costs of television advertising are very high in any case. It is reported that the cost per thousand readers of a single column in the British daily press varies from a penny to threepence. The cost of an advertising minute on cinema screens — according to the same source — is about fifteen shillings. The cost of television advertising for the near future is calculated at between 30/- and 50/- per thousand viewers — three times higher than in the cinema and incomparably more than the popular press. Unless the listening and viewing habits of the public in England change considerably, prospects of commercial television in Britain are not so very bright.

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THERE are other observers of the scene who take a more cheerful view and who believe that the influx of new money, directors, performers and perhaps even ideas, will benefit television as a whole. The other night, in the lounge of an hotel in Bournemouth, we saw an "experimental drama" by Wolf Mankovitz, a young playwright who has been responsible, among other things, for "A Kid for Two Farthings," an eminently successful film about life in the East End of London—somewhat beautified. His T.V. piece was titled "It Should Happen to a Dog" and was a modern surrealist version of the story of Jonah and the whale and his trip to Nineveh. The play was admittedly a bad one, and yet the very fact that such experiments are undertaken, is an encouraging sign. On the whole, television is almost as adventurous as sound radio, which now presents practically everything, from Marlowe's Edward II to Tewfik el Hakim in drama, atomic physics, modern composers, Etruscan art, and so on. If commercial television were to destroy this enterprising spirit it would be a great pity.

London, August 29.

Building Material Tax To Help Immigration

Additional excise on building materials will be the first step in financing the expected 45,000 North African immigrants, Mr. Levi Eshkol, Minister of Finance, told a Press conference in Jerusalem yesterday afternoon. These taxes, which came into force yesterday, are expected to bring in IL8m. - IL10m. Additional means of raising funds would be proposed in the near future.

The building materials tax was approved by the Cabinet on Sunday. There is to be an extraordinary meeting of the Cabinet on Thursday morning to discuss further financial bills to be presented to the special Knesset session called by the Government for that afternoon.

Mr. Eshkol said that the Government had calculated that it will need a total of approximately IL75m. to finance transport expenses, housing and employment of this new immigration. The additional taxes consist of increases in prices of the following materials:

White cement by IL150 per ton;

Cement by IL21.250 per ton;

Iron for building and barbed wire by IL40 per ton;

White wood by IL30 per cubic metre;

White tiles by 35 pruta each.

Stability in View

Mr. Eshkol thought that financial assistance from abroad would be sufficient to enable Israel to acquire economic stability in seven to ten years. But these funds are limited and do not assume mass immigration. For this, new funds must be found or the State will have to redirect to the settling of the new immigrants part of the funds already allocated for other purposes.

Hopes of increasing donations to the United Jewish Appeal by $20m. were expressed by Mr. Eshkol, but he did not think it advisable to raise new loans to finance this immigration. Israel herself must provide IL35m.-IL40m. for the newcomers. The bookkeeping of these additional taxes will be separate from the regular Government accounts, the Minister said.

He revealed that the financial aspects of the immigration had been studied on Saturday together with Dr. G. Josephthal, Treasurer of the Jewish Agency Executive. It was decided to begin construction of 1,000 housing units as soon as possible.

U.J.A. Emergency Conferences Planned

Jerusalem Post Reporter

One or two emergency conferences will be held in the U.S. by the United Jewish Appeal this autumn to mobilise cash urgently needed in view of the North African immigration expected this year, the Executive Vice-Chairman of the U.J.A., Mr. Herbert Friedman, said yesterday at a press conference in Jerusalem. He is returning to the U.S. today.

Mr. Friedman was in Casablanca a few days after the disorders began in Morocco. His impression was that the attacks on the Jews were not a "pogrom." The Arabs are fighting the French, and "the Jews are caught in the middle."

The UJA chief stated that the economic position of most of the Jews has been completely destroyed. Outside the large cities they were artisans and peddlers but have now been displaced by Arabs, whose leaders exhort them to buy only from Arabs.

Mr. Friedman said that the relationship with the Bond organization in the U.S. was "perfectly harmonious" mainly because there was no conflict in timing appeals. He added that since 1951, when the bonds were first sold, they have brought in $200m., while cash receipts from the U.J.A. have amounted to $261m. A sum of $10.9m. in Bonds has been turned over to the U.J.A. as contributions.

B.G. Completes 'Second Round'

Jerusalem Post Staff

The "second round" of Mr. Ben-Gurion's coalition talks was completed yesterday after the Prime Minister-Designate met with representatives of Hapoel Hamizrahi-Mizrahi and Mapam.

The Mizrahi delegation spent about two-and-a-half hours with Mr. Ben-Gurion, during which they handed him their comments on his basic principles, and discussed some of them. Another meeting is to be held at the end of the week.

Among Hapoel Hamizrahi-Mizrahi proposals discussed were the proposed establishment of a religious Gadna organization, a law to ban pig breeding, greater encouragement of capital investment from abroad and the establishment of a special authority to deal with middle-class problems.

The meeting with Mapam representatives lasted for about the same time and was conducted in a "friendly spirit," a Mapam spokesman said. Mr. Ben-Gurion told them that he would try and formulate a revised statement of principles within the next day or two, based on the comments of the various parties.

The discussion centred on questions of foreign and economic policy and on collective responsibility. The Mapam delegation expressed its opposition to what it called the far-reaching demands of the Orthodox parties. They stated that if the General Zionists joined the Coalition on the basis of their own terms, "not all labour parties would participate."

Leaders of the World Confederation of General Zionists who are in Jerusalem to attend the Zionist General Council, yesterday concluded a series of meetings devoted to finding a common platform whereby the two Israel political parties affiliated to the Confederation, the General Zionists and the Progressives, could enter the new government coalition.

P.M. Gives Policy Survey To Zionist General Council

The Foreign Affairs Commission of the Zionist General Council yesterday heard the Prime Minister present a survey of the political situation, as the Council continued its work with separate meetings of the various commissions. Mr. Y. Tsur, Ambassador to France, spoke on North African immigration.

The Organization Commission proposed that the forthcoming 24th Zionist Congress be convened on July 10, 1956.

The Commission on Activities in Israel heard reports by the Minister of Finance, Mr. Levi Eshkol, Mr. Meir Grossman and Dr. Giora Josephthal, while the Commission on Activities in the Diaspora heard a survey of education by Rabbi Ze'ev Gold.

It is understood that a number of informal meetings were held among delegates to discuss Mr. Levi Eshkol's suggestion for a special voluntary levy of $100 on all Israel Appeal contributors over and above their customary donations.

The plenary sessions of the Council will resume this morning at 9.30 at the Assembly Hall in the Jewish Agency Headquarters in Jerusalem.

What Makes A Home Out of a House?

A housewife and mother who is not perpetually exhausted and irritable, — but fresh and cheerful, — ready to share in the interests and problems of the whole family

But to make a home for all, — mother should not be a slave to the never ending drudgery of housework.

"Shemen" experts have created "Ama Maxim," combining the best in the two well known products, to take the terror out of all cleaning work around the house.

Look out for the bottle with the popular "Ama" picture and the blue label.

Tripartite Talks On Cyprus Open

LONDON, Monday (Reuter). — Strong contingents of police guarded the roads to Lancaster House here today, to deal with any possible demonstrations by Greek sympathisers, as British, Greek and Turkish statesmen began critical negotiations about the future of Britain's Mediterranean island colony of Cyprus.

The conference — called by Britain after a wave of anti-British terrorism on the island, is expected to last for about a fortnight. The Foreign Ministers of the three countries lead the delegations. They are Mr. Harold Macmillan, Mr. Stephan Stephanopoulos, and Mr. Fatin Zorlu.

A communique issued after today's meeting said that the opening session had settled procedural questions and had appointed Mr. Macmillan as the permanent chairman.

"It was also agreed that, while the proceedings of the conference would be confidential, regular communiques would be issued and every effort would be made to make these as substantial as possible."

(Cyprus Despatch, P. 3, Col. 6)

STOP PRESS

French Cashier Grandval

PARIS, Monday (Reuter). — The French Government decided today to cashier M. Gilbert Grandval, Resident General in Morocco, for being "too conciliatory" towards Arab nationalists, it was learned on good authority here tonight.

LEBANON BREAKS WITH POINT FOUR

The Lebanon has decided to sever all relations with the U.S. Point Four Administration in protest against the curtailment of allocations, "Akhbar el Yom" reported yesterday.

Salah Salem Given 'Leave' on Failing In Sudan Policy

CAIRO, Monday (Reuter). — The Egyptian Minister for Propaganda and Sudan Affairs, Major Salah Salem, was today granted "indefinite leave of absence."

Political commentators in Cairo attribute his "disgrace" to the failure of his Sudan policy.

Lt.-Colonel Abdel Kader Hatem, Director of Information and Administration attached to the Ministry of Propaganda, has taken over the post provisionally. Hatem, 36, is one of the early supporters of Prime Minister Gamal Abdul Nasser's "Free Officers'" movement, which launched the revolution three years ago.

The Sudan parliament decided unanimously this morning to conduct a nation-wide plebiscite on the alternatives of independence or union with Egypt, according to Cairo Radio.

Last week, Britain announced that it would support the idea of a plebiscite if the initiative came from the Sudanese. Egypt has consistently opposed a popular decision.

Diplomatic quarters in London pointed out that Egypt's policy in the Sudan has recently suffered severe setbacks. Virtually all elements of Sudanese opinion are reported to have swung in favour of complete independence instead of the establishment of a link with Egypt when the self-determination choice is made in the near future.

A year ago, on September 9, Salah Salem was granted a leave of absence when friction between him and Abdul Nasser first became acute. His resignation then from the Cabinet and the Revolution Council was explained by Arab observers as resulting from his failure to win over Jordan and Iraq to the Egyptian sphere of influence after a tour of the Arab capitals. The rift was patched up and described officially in Cairo as "only a family quarrel."

Egypt Keeps Up Day-Long Shooting Along Gaza Strip

VAMPIRE JETS — used in yesterday's flight over Israel by Egypt were sold to the Egyptian Air Force by the de Havilland Aircraft and Engine Company, of England. Deliveries of these aircraft to Egypt took place this summer. The four Vampire trainers shown above fire six-inch rockets using a gyro-gunsight which brings the target into the sight while the plane is manoeuvring.

Express Photo

Firing Breaks Up M.A.C. Meeting

Egyptian forces kept up fire from border posts along the Gaza Strip from morning until nightfall yesterday. Israel forces returned the fire, the exchanges continuing intermittently throughout the day. There were no Israel casualties, the Army spokesman said.

Exchanges of fire along the Gaza Strip border in the morning broke up an emergency meeting of the Israel-Egypt M.A.C. which had convened at Kilometre 95 to deal with the Egyptian attack on Mefalsim of August 22. This attack was given priority over several other outstanding complaints by both sides.

The meeting was adjourned when U.N. Observers present left to investigate the latest outbreaks of violence.

The Egyptian Army spokesman reported that an Israel force had attacked three Egyptian outposts. "The attackers withdrew after a gun duel. An Arab boy was seriously wounded, but there were no military casualties."

Major-General Abdul Hakim, Egyptian War Minister and Commander in Chief of the Armed Forces, yesterday paid a surprise visit to inspect forward posts in the Gaza Strip, Reuter reports.

Egyptians Boast Of Forays into Israel

By Our Diplomatic Correspondent

For the past three or four days, all Egyptian announcements have been speaking in a boastful manner of attacks in Israel territory, of killings and forays by armed forces. The reader of the Egyptian press certainly gets the idea that dozens of Jews have been killed by the brave Egyptians defending the armistice lines in the Gaza area.

According to Cairo's "Akhbar el Yom" weekly, an Israel officer was killed when, with his patrol, he tried to infiltrate into the Egyptian side of the lines. In a series of seven incidents in which Israel lost 15 officers and men,—the Egyptian forces returned to their bases safely without any casualties, the paper adds.

The orders given to Egyptian forces, the Cairo press and radio state quite openly, have been clear and distinct lately. Men in the frontier posts have been told to inflict as many casualties as possible on the Israel enemy. "Akhbar el Yom" goes on to say that, in conformity with these instructions, the Egyptian forces have more than once pursued the Israelis deep into their own territory, inflicting heavy losses on them in their own bases.

Colonel Gohar for several days has been boasting openly of these aggressions by Egyptian armed forces. But yesterday, when Israel replied after the Egyptians had opened fire, and kept on replying from inside Israel territory, Gohar came out with a bitter complaint that this was Israel aggression.

This distorted sense of values may have influenced to some extent the line of development which resulted in Egypt's breaking off the Gaza talks. Unfortunately, the impression may sometimes be created that this attitude is not confined to the Arabs alone.

In the past, for example, the U.N.T.S.O. spokesman has never hesitated long to come out with statements as soon as he thought it likely that Israel had started trouble. Yet in the face of all these admitted, nay boasted, Egyptian aggressions, he has remained silent.

Nor is this approach confined to the U.N.T.S.O. The editorial in yesterday's "Times" of London, (quoted in Column 5), will scarcely be an encouragement to Egypt to keep the peace, for it seems that, together with the other Arab states, she can do no wrong in Britain's view as long as these states have oil, bases and potential airfields.

Moroccan 'New Deal' Approved; Regency to Replace Sultan

PARIS, Monday (Reuter). — The French Government today agreed in principle on a Moroccan "new deal," but left details of timing and procedure to be resolved. At two Cabinet meetings lasting a total of 13 hours, the Ministers affirmed their intention to create a representative Moroccan Government before September 12.

Communiques gave no indication of what methods would be used to bring this about. But it is generally understood that a three-man Regency Council will replace the aged Sultan Mohammed Ben Arafa and nominate Morocco's first Cabinet Ministers.

Usually reliable sources said that Premier Edgar Faure had accepted the resignation of the Resident General, M. Gilbert Grandval, as the price of Conservative support for the removal from the throne of the Sultan. His successor is expected to be named within the next 48 hours.

Gen. de la Tour Named

Most observers forecast that General Boyer de la Tour, France's Representative in Tunisia, would go to Morocco and assume both the military and civilian command there.

In Morocco itself, feeling in favour of M. Grandval is running so high that it is felt that only the simultaneous departure of Ben Arafa can avert disorders. After the week-long Franco-Moroccan negotiations in Aix-les-Bains, it was felt that even the extreme "traditionalists" such as El Glaoui, Pasha of Marrakesh, had accepted the view that the Sultan must go if Morocco was to have a truly representative government.

But today, the Pasha returned to the defence of the pious old ruler. In a letter to the Premier, co-signed by the religious leader, El Kittani, El Glaoui said that the reported plan for the removal of the Sultan would violate the "rules of Islam" and the Protectorate treaty.

Despite the tone of the letter, it was believed both here and in Rabat that Ben Arafa was ready to abandon the throne which he mounted with little enthusiasm two years ago, following the deposition and exiling of his predecessor, Mohammed Ben Yussef.

The Istiklal will join a government only after Ben Yussef is transferred to France from exile in Madagascar, and has given his formal approval to their participation.

French Cabinet members, and the Foreign Minister M. Antoine Pinay in particular, are believed to be holding out for the return of the former Sultan only after the new government is formed.

(Lehrman Dispatch — P. 3, Col. 8)

W.J.C. Applauds Tunisian Treaty

LONDON, Monday (Reuter). — The World Jewish Congress today hailed the recent Franco-Tunisian conventions granting home rule to the 74-year old North African Protectorate.

In a message sent to Mr. Tahar Ben Ammar, Prime Minister of Tunisia, the Congress said: "This great international instrument, the first to embody and give practical effect to the Universal Declaration of Human Rights, marked an important milestone not only in Franco-Tunisian cooperation, but in humanity's striving for universal democracy."

FABREGAT HERE

Professor Enrique Rotrigues Fabregat, head of the Uruguayan delegation at the U.N. and former member of the 1947 UNSCOP Commission, was due to arrive early this morning by Air France for a visit as the guest of the Government.

Israel Planes Chase Egyptian Craft Home

Four Egyptian Vampire jet planes flew over Israel territory in the Gaza-Rafa area yesterday morning, but turned tail and flew back over the Egyptian-held Gaza Strip when their pilots spotted two Israel Air Force jet fighters in the sky.

An early report which was published in one of the Tel Aviv papers yesterday afternoon that a dog-fight had occurred and that one of the Egyptian planes was hit by fire from an Israel fighter, was later withdrawn, and a correct version of the incident was issued by the Army spokesman as follows:

In the early hours of the morning, Israel planes encountered Egyptian aircraft flying over Israel territory. The Egyptian planes flew back to their own territory.

On the other hand, Cairo radio claimed yesterday that an encounter had taken place, and quoted the following communique from the Egyptian Armed Forces:

Two enemy fighters this morning flew over the Rafa area, thus violating the Armistice Agreement. Our fighters engaged them, compelling them to fly into Jewish territory. There were no losses on either side.

U.K. Leaves First Move to Dulles

LONDON, Monday (Reuter). — Britain does not intend to follow with "practical measures" the American offer announced by Mr. Dulles last Friday to help solve the Israel-Arab dispute, the Foreign Office spokesman said here today.

"It is really up to the states most closely concerned in the Middle East to take the initiative," he said, continuing, "There will be no formal proposals on our part nor, as far as we know, by the U.S."

In Washington, today, a State Department spokesman said that the U.S. had not yet received an official reply from Israel or the Arab states to Mr. Dulles' proposals.

Mr. Dulles meant his speech as a formal proposal, and the State Department expected formal replies, the spokesman said.

He added that the Department had no comment on the recent Gaza clashes.

'Times' Editorial

"The Times" of London today criticised the Dulles plan as "likely to satisfy nobody in the Middle East."

"The assumption that Arab refugees can be settled outside Israel will infuriate the Arabs," it said. "The hint that Israel's boundaries may not be permanent will annoy Israel.

"The offer of a security pact after Israel has come to terms with her neighbours goes no further than Sir Anthony Eden went in April. It meets none of Israel's current requests."

"The Times" continued: "As things stand at present, an alliance between Israel and the U.S. or Britain is impossible.

"Alliance implies a high identity of interest, and Britain's interest in the Middle East can be advanced now by alliance with the Arab states. They alone, however incompetent, unstable or unreliable, have the oil, occupy the territory and provide airfields in sufficient dispersion for the function they fulfil.

"No Arab statesman, whatever his private wishes, has dared to treat with Israel; none could be allied to Israel's ally. So long as relations with the Soviet Union are uneasy, the defence of the area must, for Britain and the U.S., have first priority," the editorial concluded.

Both the "Manchester Guardian" and the "Daily Telegraph" commented favourably on the Dulles offer, the former saying it was a triumph for Israel diplomacy.

CUBA APPOINTS ENVOY TO ISRAEL

The Cuban Government has appointed its Ambassador to Rome, Dr. Alberto de la Campa y Roff as Minister to Israel. Israel is represented in Cuba by Mr. Joseph Kessary, who is Minister to Mexico.

AFTER MIDNIGHT

Kupat Holim doctors decided yesterday to strike on Thursday, following the break-down of the 10-day negotiations between the Kupat Holim Physicians Association and the parent body on the physicians' demands for pay increases.

U.N. Council Told Of Gaza Trouble

By JESSE ZEL LURIE
Jerusalem Post Correspondent

NEW YORK, Monday. — The Security Council was informed today of the serious deterioration of the situation on the Gaza border, in a letter from the Israel permanent U.N. representative, Mr. Mordechai Kidron.

With almost all American Zionist leaders in Jerusalem for the Zionist General Council sessions, no statement has been made here on the proposals for a Middle East settlement made by Secretary of State Dulles on Friday. It is certain, however, that American Zionists will continue to urge that their Government give the security guarantee which Mr. Dulles offered both Israel and Arabs, "given a solution of related problems."

If this means that the Arabs have the power of veto, then there is no hope of a treaty. But if it does not — and Israel is asking the State Department for clarification — and if progress can be made on settling outstanding problems, chiefly the refugees, on the lines of the Johnston Plan, an American-Israel treaty may yet be a reality.

Observers Again Posted In Egyptian Territory

Jerusalem Post Reporter

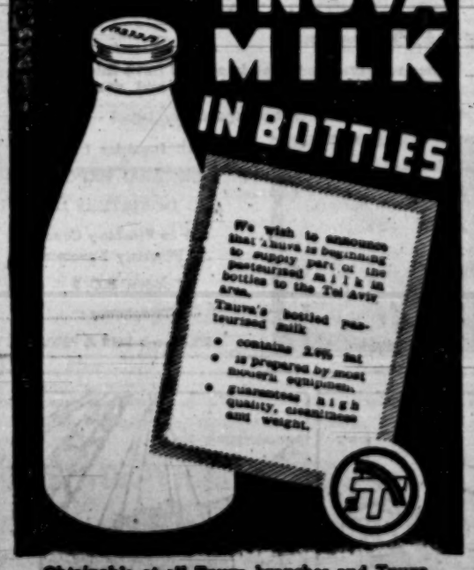
The U.N.T.S.O. has posted six Observers at important control points inside Egyptian territory along the Gaza Strip. It was learned from the U.N. spokesman in Jerusalem yesterday.

It will be recalled that such Observers were first posted some months ago but they were withdrawn when tension apparently relaxed.

According to the Arab News Agency, General Burns is said to have made a statement to their reporter that the situation is "very serious" and that he has communicated with both sides asking them to give orders to their forces to cease fire.

This may refer to the fact that General Burns did address himself to both sides a few days ago, stressing the dangers inherent in the present situation.

Pasteurized TNUVA MILK IN BOTTLES



Obtainable at all Tnuva branches and Tnuva "Kol-Bo" shops in Tel Aviv and Ramat Gan. Price of milk in ½ litre bottles: at Tnuva shops—150 pruta. Home delivery—155 pruta.

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Menache H. Elischar and to Mrs. Elischar
on the occasion of the marriage of their daughter
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Committee of the Jerusalem Chamber of Commerce

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Social & Personal

President Ben-Zvi yesterday received the Colombian Ambassador to the U.S., Dr. Eduardo Zuleta-Angel, who was accompanied by Mr. Moshe Tov, Director of the Latin American Department of the Foreign Ministry. The President also received Mr. C. W. Froessel, Past Grand Master of the Grand Lodge of the Freemasons in the State of New York.

The Chief Rabbi and Mrs. I. H. Herzog entertained the Colombian Ambassador and Mrs. Zuleta to tea on Sunday. Rabbi and Mrs. Herzog entertained the Minister of Defence and Mrs. David Ben-Gurion to dinner on Friday. Dr. Zuleta visited the new site of the Hebrew University on Sunday and was received by Professor M. Evenari.

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The Prime Minister and Mrs. Sharett yesterday entertained the members of the Zionist General Council to tea. The Council members were also the guests of the Chairman of the Jewish Agency Executive and Mrs. Beri Locker at their home in Jerusalem.

Prime Minister Sharett yesterday received Dr. Irving Miller, Chairman of the American Zionist Council, Mr. Froessel, and Mr. Herbert Friedman, Executive Vice-Chairman of the United Jewish Appeal in the U.S.

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ARRIVALS: Mr. Zvi Kramer, of the Organisation of Central European Immigrants, from Austria, where he negotiated Reparations claims for former Austrians now living in Israel; Dr. Yosef Weiss, Bank Leumi representative in Europe, for a two-week visit on business; Mr. Y. Shiloh, Director of the Palestine Office in Vienna, on home leave.

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DEPARTURES: Professor Abel Wolman, Chairman of the National Advisory Committee for Water Planning in Israel, for the U.S. after an eight-day visit as guest of Tahal; Dr. P. Stiasni of the "Zra'im" Cooperative in Gedera, for Europe on business; Mr. Z. Onn, Director of Hevrat Ovdim, and Mr. Y. Ater, General Manager of Hamashbir Hamerkazi, for Basel, for the meeting of the Central Committee of the Cooperative International.

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Professor and Mrs. B. Zondek, who are leaving shortly for Brazil on behalf of the Institute for Israel-Brazil Cultural Relations, were given a farewell reception on Sunday at Beit Shalom in Jerusalem by the Director of the Latin American Department of the Foreign Ministry and Mrs. Tov. Among those present were the Minister of Posts, Dr. Y. Burg, Colombia's Ambassador to Washington and Mrs. Zuleta-Angel, now visiting this country, Prof. and Mrs. Cecil Roth and Mr. Gad Frumkin.

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Mr. Sarao Federmann, Managing Director of the Dan Hotel, Tel Aviv, and Mrs. Federmann have returned from a two-month business trip to Europe.

BIRTH

ASLAN—To Ruth, wife of Ezra Aslan, at the Hadassah Maternity Hospital, Jerusalem, on Sunday, August 28, 1955 — a daughter.

OBITUARY

Mrs. JUDITH ETTLINGER

The death took place in Tel Aviv on August 28, 1955, of Mrs. Judith (Ida) Ettlinger, née Rosenfeld. She is deeply mourned by her sons David Ettlinger, Jerusalem, and Gideon Strauss, New York.

These Special
THE JERUSALEM POST
Correspondents
Keep you posted
On the news
Of the moment
Maurice Carr
in Paris
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and Ze'ev Laqueur
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Hal Lehrman now
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Britain Wakes Up To Hebrew Education

By N. D. GROSS
Jerusalem Post Reporter

That a sound knowledge of Hebrew imparted to Jewish children in a Zionist atmosphere is the most effective means of stemming the tide of assimilation and ensuring an ultimate flow of aliya to Israel, is now the main thesis on which the work of the British Zionist Federation is based.

It is a recent realisation. For its first 30 years, the Federation spent its energies in enlisting nominal support among Jews, and practical support among British statesmen, for the Zionist ideal. The establishment of the State of Israel was realized in its jubilee year, but still, the need for political solidarity with and financial aid for, the State demanded top priority.

But two years ago, when Dr. I. S. Fox was elected chairman of the Zionist Federation, a change in outlook was deemed possible, and even vital. Hebrew education throughout the Jewish community became the order of the day.

Dr. Fox, a member of the British contingent to the current Jerusalem meeting of the Zionist General Council, came over a few weeks ago for the conference of the World Hebrew Union and of the Israel Medical Association.

He is a doctor by profession and a Hebraist by tradition. His father, the late Jacob Samuel Fox, editor of "Hamaggid," in 1903 founded the Liverpool Higher Hebrew Grade School, which, as Nathan Morris shows in his yet unpublished history of Hebrew Education, was the first modern Hebrew day school in Western Europe and possibly in the whole world outside this country.

Living Language

This school had the word "Leumi" in its Hebrew title, and it lived up to it, giving a sound national Jewish training, using Hebrew as a living language.

When Dr. Fox assumed chairmanship of the Zionist Federation, he arranged for its joint sponsorship of Hillel House, a Jewish day school in Northwest London. Now it has 106 kindergarten and primary school pupils with several teachers from Israel. The children have taken to Hebrew to such a degree that their parents have begun Hebrew lessons so as to understand them.

The non-Zionist leaders have long been opposed to the efforts of the Zionists in Hebrew education, but this has now been largely overcome and the United Synagogue, one of the last strongholds of the non-Zionist camp, has entered negotiations for the sale of a large synagogue in Northwest London for use as a Hebrew day school under the auspices of the Zionist Federation. Similar schools are to be opened shortly in North and Southwest London, while negotiations are proceeding in Glasgow and Leeds.

In the Zionist Federation schools and classes, Israel life is portrayed, without politics, but with a religious bias, and they are Orthodox, which is a *sine qua non* in Anglo-Jewish life. This has managed to overcome the opposition of Chief Rabbi Brodie, but has still not defeated that of the Mizrahi who continue to object to the entry of "secular" Zionists into the field of Hebrew education.

One great effect of the Zionist Federation campaign is that the Aguda-sponsored Jewish day schools are now including modern Hebrew in their curricula, in response to the demands of parents.

The Jewish Agency's Department for Torah Education in the Diaspora provides a limited budget for the Hebrew day school campaign, and a novel way has been found for providing some of the remaining need. The energetic Secretary of the Federation, Mr. Lavy Bakstansky, who is a champion amateur ballroom dancer, arranges dancing contests from which an annual £10,000 is raised.

'MAU MAU' BUTCHERY LOOMS IN MOROCCO

By HAL LEHRMAN, Special to The Jerusalem Post

CASABLANCA, Monday. — The bloody disorders in French Morocco could flare up like a lighted matchbox into a full-scale racial war between eight million natives and half-a-million Europeans, on the horrible pattern of the Mau Mau massacres in Kenya.

All the ingredients of a holocaust exist: French rural settlements are too numerous and isolated to get full protection; urban concentrations are vastly outnumbered by the teeming masses of nearby native *medinas*, the mounting vigilante spirit and back-to-the-wall complex among French civilians; the whetted blood lust of the Moroccan population which last week displayed unbelievable ferocity in the techniques of wholesale slaughter; inability of the citified nationalist leaders to control hinterland savagery; and the impotence or reluctance of the wrangling French Government to make those swift, generous concessions to native independence which alone might still ward off total disaster.

Caught in the middle are two groups of innocent non-participants. Morocco contains a quarter-of-a-million native Jews. While they suffered few deaths during the week's orgy, Jewish houses were pillaged and burned in several smaller towns. Morocco also has an estimated 20,000 Americans, mostly military and civilian personnel and dependents attached to three air bases and one naval depot. Rigorous security precautions thus far have kept the Americans untouched.

But the disorders, though serious, are hardly on the scale of a civil war. The official toll of murdered French civilians is 88 — shocking, even monstrous, but not exactly tantamount to a total collapse of law and order, even if the real toll is much higher, which it probably is.

What is sinister and ominous is the manner in which these Europeans perished — and the steady, psychological build-up now going on towards an atmosphere of war to the death.

All week in stricken Oued Zem, Kouribga, Khenifra, I have been gazing at corpses of children, women and men disemboweled, pitchforked, axed, burned.

In response to such barbarism, no holds were barred in Oued Zem during the Foreign Legion clean-up of Moroccan "commandos" imported to galvanise local mobs. The Legionnaires answered refusals to open locked doors by machinegunning first and parleying later. Meanwhile, fighter planes, paratroopers, armoured cars, mobile guards, Senegalese and *goumiers* — in Morocco's largest military operation since the Riff war — were remorselessly hunting down the dissident Berber horsemen in the Atlas hills.

The bulk of the Berber tribes throughout the Moroccan uplands are watching and waiting. What goads the French is the fear that unless the few guilty tribes are rigorously punished, the others will be encouraged to go berserk with impunity.

In Casablanca, when I switch on my hotel radio, I can hear Cairo Radio in Arabic addressing the eight million natives — who listen to Arab League broadcasts as well as to the Koran — and who are being exhorted to holy war and promised "eternal life" for revolutionary sacrifice.

A Family Seeks a Home

By PAUL KOHN
Jerusalem Post Reporter

HAIFA, Monday. — After 13 days in the country and at Sha'ar Ha'aliyah, the Marum family of eight persons, who came here from Tsing Tao, on the Chinese mainland, consider their room in Hut 52 "our home." No reply from any *kibbutz* willing to take the large family has yet been received by the family, the Jewish Agency or *The Jerusalem Post* (which made an appeal for a *kibbutz* for the family, last week).

When I met Mr. Marum near the entrance of the Sha'ar Ha'aliyah transit camp, and asked to speak to him, he replied "come home with me, we can sit down there." There, Mr. Marum said that after studying the various suggestions, he thought a *moshav* was the family's best hope. For one thing his Chinese wife, Loh Tsai, no longer cared for the idea of a "collective."

Then, in a *kibbutz* the question of food will not easily be solved. The Marum family is used to Chinese cooking, with rice as the staple food. "We want to make our own future, and I am not afraid of any work," Mr. Marum said. "I have already earned IL2 here, cutting the grass around the camp stores," he added proudly.

Seven Canaries

The family, including six children aged between one and 12, and a seventh expected, arrived here with seven canaries, and three dollars in their purse. However, they are all very contented, and praise the Jewish Agency camp authorities for the consideration they have been given. They have made friends with some Indian neighbours, and the children were out playing in summer dress today. They were all in the pink of health.

In Tsing Tao, Mr. Marum was for many years owner of a restaurant. Earlier, in Shanghai, he was manager of one of the largest cabarets, bars and restaurants in the city. He is also a driver. He speaks English, French, German, Dutch and Chinese fluently. Both he and his wife are experienced cooks of Chinese food, and they brought with them a full Chinese dinner set, including ivory chop sticks.

ARSENIC LADEN MILK KILLS 44 BABIES

TOKYO, Monday (UP). — The Government today set out to prosecute a dry milk plant whose product, accidentally contaminated by arsenic, has already claimed the lives of more than 40 babies.

The Welfare Ministry ordered prosecution proceedings against the Morinaga Milk Company's Tokushima plant. At the same time, police arrested the production chief of the plant this afternoon.

The reliable Kyodo News Agency, meanwhile, reported that the death toll from the arsenic poisoning now stood at 44, while 4,964 other babies were sick.

Yesterday's Press:

Arabs' Reply to Dulles

The machine-guns that rattled between Ashkelon and Migdal Ashkelon, writes "Zmanim" (Progressive), are the first authentic Arab reply to the Dulles plan and are more eloquent and convincing than all the glib speeches made lately by professional Arab diplomats.

According to "Davar" (Histadrut), it appears that the Cairo ruling clique has reached the conclusion that the time is ripe to exploit the advantages it gained from the Suez Canal transfer and, in addition, from the East-West wooing of Cairo's favours. The weapons put into operation in the Strip area are expected to help raise the price for any arrangement the Powers might propose to Egypt.

Examining the psychology of Arab war tactics, "Haboker" (General Zionist) explains that the Egyptians run away from a face-to-face encounter to the safety of ambush whence they commit their murderous crimes. This they base on the assumption that Israel will not repay in kind nor resort to murder from ambush. Such an inauspicious climate will make Dulles' call for peace seem like a voice calling in the wilderness: A far-reaching solution for Middle East peace is greatly desirable, but more urgent is the need to avoid breaking the peace, which the Egyptians are now disturbing. Israel's tolerance, the paper warns, is not limitless and unless the U.N. does something radical to improve the situation, the Dulles plan will be pushed into a far corner.

"Al Hamishmar" (Mapam) asserts that Israel is ready for peace — the Arab rulers are not. Hence, the Dulles plan aims to appease the Arabs. The paper sees the entire scheme in the framework of the Cold War thaw, asserting that the Western Powers are still trying to set up a "Defence Bloc" in the Middle East by enlisting Arab sympathies, and all that at Israel's expense. But Israel will refuse to pay the price!

Egyptian aggression, according to "Lamerhav" (Ahdut Ha'avoda), is intended to give the death knell to all prospects of coming to an arrangement with Israel and to divert Egyptian attention from the serious political setback they have suffered on the Sudan question. Cairo has never made bones about its belligerent attitude towards Israel and its intransigeance is being fed by Eden-Dulles declarations which assume that Israel territory can be transferred at will. But the East is just as culpable as the West and Israel should tell them all that its existence and integrity are not to be tampered with at their pleasure.

Israel on Defensive

"Herut" writes that the latest Egyptian attacks have once again placed Israel militarily and politically on the defensive. It takes the Minister of Defence to task for calling those who clamour for "reaction" as warmongers. On the other hand the Dulles speech has taught the Arabs that aggression pays. The only question now, the paper sums up, is how much blood this speech will cost us?

Seeing the coincidence of the Dulles speech and the Egyptian attacks as no accident, "Hatzofe" (World Mizrahi Union) says that the Egyptians are drawing up their accounts without reference to possible Israel action. Their boldness at this juncture may impress those who will be impressed but the Egyptians should not wail later on when Israel begins to repay them in kind.

"Kol Ha'am" (Communist) analyses the Dulles speech, showing that all the points enunciated in the plan mask Western ambitions to dominate the country and make it a vassal in their adumbrated defence bloc.

"Hamodia" (World Aguda) writes that the Foreign Minister's warning to Egypt should rouse U.N. circles to activity to calm the spirits and bring about an end to Egyptian aggression.

ON THE AIR

FIRST PROGRAMME
522, 249, 33.3 & 43.9 M.

News: Hebrew: 7 a.m., 1.30, 6.00, 6.15, 8.30 & 11.00 a.m. Arabic Programme (including News): 8 a.m. 2.15 & 6.30 p.m.

6.30 a.m. Service. 6.35 Exercises. 6.45 Musical Clock (R). 7.15 Melodies (R). 9.00 Close Down.

12.00 N. "Music at Noon" (R). 12.30 Music for two pianos. 12.50 Light Music. (R). 1.45 "From Dan to Eilat" (R). 3.30 Close Down.

4.00 p.m. "Sihot" in the style of Oriental Communities. 4.15 Programme for Hospitals. 4.45 Light Music (R). 5.05 Agricultural Programme. 5.15 Languages Corner. 5.30 Children's Hour. 7.00 Folklore. 7.02 Haifa Programme. 7.30 Talk. 7.40 Songs by Eddy Cantor and Al Jolson. 8.15 Bible Reading. 8.45 This Week in the U.N. 9.00 Concert by Kol Yisrael Orchestra. Conductor: Gary Bertini. Soloist: Simcha Arum (Horn). Suite "des Indes Galantes" (Rameau); Horn Concerto No. 4 K495 (Mozart); Concertino for Horn & Strings (Bertini); Suite Archaique (Honnegger). 10.30 Short Story. 10.40 Nocturno (R). 11.10 Close Down.

SECOND PROGRAMME
397, 480, 236, 214, 41.8 & 33.3 M.
English News: 1.45, 10.00 p.m.
French News: 2.00 p.m.

IMMIGRANTS' HOUR (33.3, 24.8 & 469 M.): 6.15 p.m. Programme for Yemenites. 6.30 French. 7.00 Yiddish. 7.30 Ladino. 8.00 Persian. 8.15 Turkish. 8.30 Close Down. 8.45 Rumanian. 9.00 Hungarian. 9.15 Close Down.

KOL ZION LAGOLA (32.3 M.): (South Africa Programme): 6.30 p.m. From the Federation. 6.35 Ask the expert: Questions answered by Walter Eytan, Moshe Rosette, Bernard Cherrick, Avner Hovne and Chai Ateron. Chairman: Ted Lurie. 6.50 "Leaves of Buttering" R. Avinoam & M. Lavry. 7.05 News.

12.00 p.m. News. 12.10 Ask the expert: Questions Answered by Walter Eytan, Moshe Rosette, Bernard Cherrick, Avner Hovne and Chai Ateron. Chairman: Ted Lurie. 12.30 Easy Hebrew Conversation.

ARMY PROGRAMME (44.6, 216, 226 & 239 M.): 6.30 Opening. 6.35 "Bow and Arrow." 7.00 "Critic's Corner." 7.30 "Corps to Corps." 7.40 Noah's Ark. 8.15 Light Music. 8.30 News. 8.45 Evening Tunes. 9.35 Dance Music. 10.00 Close Down.

B.B.C. HEBREW BROADCASTS: (16.75, 19.42, 16.96, 25.15 M.): 7.30-8.00 p.m. News. News Talk. Echoes from the World.

Where to go

JERUSALEM

Your Lunch and Dinner at Hesse's Restaurant, Jerusalem. Tel. 4120. Excellent food and service. Oldest establishment in Israel. Dinner will be served on the terrace.

★ Exhibitions:—
"Conquest of the Desert" permanent Exhibition on the grounds of the Jerusalem Convention Centre, 1-10 4-6.
New Gallery Jerusalem Artists' Artists' House, 10-1, 4-6.
1) The Herman Shuman Hall of Contemporary Art. 2) Gallery of portraits of famous Jews. 3) French Paintings and Sculptures from the Collection of the Museum. 4) Prehistory in Great Britain. — air photographs of archaeological sites (a travelling exhibition of the British Council). Exhibit of the Month: A gold medal of the year 1665 on the birth of a Jewish boy in Amsterdam. Bezalel Museum, 9-1, 4-6.
Watercolours and Drawings by Mattia Shiffer. "Nora Studio" Art Gallery, 9 Malmon Avenue, 10-1, 3-6.

★ Tours:—
Hebrew University conducted tour New Administration Building, King George Ave., opposite Terra Santa, 10 a.m.

TEL AVIV

★ Exhibitions:—
a) Georges Rouault: "Miserere" Original Etchings.
b) Yoram Kanivski: Paintings and Drawings, 10 a.m. to 1 p.m. and from 4-7 p.m. Tel Aviv Museum.

★ Theatre:—
Ohel Theatre, "Eldorado," 8.30 p.m.
Ohel's "Bamaaleh" in "Hasamba and the Abandoned Children," Ohel Theatre, 4 p.m.

HAIFA

★ Exhibitions:—
Collective exhibition: Young Israel artists. Fortnightly exhibit: Cloth by Julia Kelner. Municipal Museum, Town Hall, 10-1, 4-7.
Artists' Competition: drawing of a lady's portrait, 9-11 p.m.

★ Theatre:—
Habimah, "The Conquerors," Armon Theatre, 9 p.m.

GORAN

★ Theatre:—
Habimah, "King Lear," 8.30 p.m.

RAMAT GAN

★ Theatre:—
DO-RE-MI: "Shalom, Shalom," Israel Revue, 8.45 p.m.

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AT THE CINEMA

"City Across the River" (Armon, J'lem) is an average 1949 production about two Brooklyn boys who murder their teacher. The same studio made "Naked City," by far more exciting. The climax takes place among the girders of the Brooklyn bridge.

See Naples and Live!

"Flame and the Flesh" (Eden, J'lem) is a pleasant surprise, a charming romance of "Flesh and Fantasy," so to speak, produced by Joe Pasternak against a fascinating Neapolitan background. There is plenty of dallying between adventurous Lana Turner, scenario writer Bonar Colleano, unspoiled Pier Angeli and night-club singer Carlos Thompson. A highly entertaining Sicilliana, indeed recommended as relaxation from the heat of the day. *FRANCO*

Macabre Comedy

"Beat the Devil" (Zion, J'lem) is weird, rather macabre humour. The story, as affair about international crooks, is so involved that one never really knows what it's all about. Masterly acting by Humphrey Bogart, Robert Morley, Peter Lorre and Edouard Underdown. The star is Jennifer Jones; Gina Lollobrigida contributes some enjoyable front views.

Red Hevramen

"White Feather" (Orion, J'lem) features the good old Cheyennes as true Red Hevramen, who look utterly Caucasian. However, the cinemascoople shots of the wandering tribes are truly magnificent and Robert Wagner acts and rides equally well.

The Cinemascope travelogue "Vesuvius Express" is first class. The directors of our Tourist Bureau and of the Israel Railways should have a good look at it. The Carmel Newsreel of the El Al disaster is in excruciatingly bad taste. Pictures of weeping relatives who do not want to be photographed are not a scoop for any decent cameraman to be proud of. The censor must have been asleep! *Th. F.M.*

Pacific Submarine

"Hell and High Water" (Mograbi, Tel Aviv), with Richard Widmark and Bella Darvi, gets a scientific expedition travelling in a submarine from Tokyo to a North Pacific island, suspected of being a "Red" atom bomb base. Exactly who is behind the expedition is somewhat confusing, as is much of the beginning of this CinemaScope picture. It is also hard to understand the introduction, which seems to suggest it is based on fact, for what we have seems to be nothing more than another anti-Communist adventure film. Yet once it has settled down there are some fine under-water shots and many exciting moments, which almost make us forget the improbability of it all. *J.L.*

Light Entertainment

Even to persons who, like myself, are anything but Martin and Lewis fans, "The Caddy" (Armon, Haifa) will appear the most lively and polished film that the pair has produced until now. Leave out the slapstick and you have the story of how two ne'er-do-wells, setting out to acquire a new fishing boat for Dad and to save Ma's restaurant, migrate, via professional golf tournaments, and its prizes, to Broadway theatres and their still more glittering rewards, but the sentimentalism hardly impinges on the thread of the plot. What you have is chiefly a skit on country clubs and house parties of sporting snobbishness, with some three or four first-class tunes, and some quite witty repartee. Summer evening entertainment.

Original Background

The shady television actress is found murdered ("Glass Webb," Atsmon, Haifa). There were at least three men in her life — the infatuated bachelor, the married man whom she was blackmailing and her own crook of a husband who had become too small fry for her. There is a touch of originality in the plot's television studio background. The script is, at points, of a high colloquial standard; tension is admirably built up. Though the cast is only average, there is an outstanding performance by Edward G. Robinson, an eager, ambitious little man, a network of taut nerves, always seeking for perfection of detail and just missing it in the planning of the perfect coup. A good show. *H.*

Cinemas

JERUSALEM
At 1.30, 7.15 and 9.15 p.m.
ARMON: City Across the River.
EDEN: Flame and Flesh.
EDISON: "Doc Process," 2nd week.
ORGIL: Johnny Guitar.
STUDIO: Don Camillo.
ORION: White Feather.
ORNA: Genevieve, 2nd week.
RON: "Avast in Deluge." 3rd week.
ZION HALL: Beat the Devil.
TEL OR: Silver Lode.

TEL AVIV
At 4, 7.45 and 9.45 p.m.
ALLENBY: Caged Women.
ARMON-DAVID: Miami Story.
CHEN: The Glenn Miller Story.
ESTHER: Easy to Love, 2nd week.
MOGRABI: Hell and High Water.
ORION: Where's Charley?
OPHIR: "Chi e Senza Peccato." 5th week.
TAMAR: Scared Stiff.
YABON: Rear Window.

HAIFA
ARMON: The Caddy.
EN DOR: Shadow of the Eagle.
ORLY: Million Pound Note, 2nd week. Children's matinees at 4.30 p.m.: Rogues of Sherwood Forest.
ROMEIAH: Dance Little Lady.
ORION: Dial M For Murder, 5th week.
ATZMON: Glass Web.
PEER: "La Nave Delle Donne Maledette."
GAL OR: Tonight We Sing. Matinees: All Quiet on the Western Front.
AMPHITHEATRE: Woman's World.
ORAH: Versailles.

Underwater Excursions Off Nahariya

Jerusalem Post Reporter

NAHARIYA, Monday. — Unless a black flag fluttering from the Galei-Galim tower on the beach here warns the bathers away from a stormy and dangerous sea, holiday-makers may now enjoy "underwater excursions" twice a week.

Equipped with masks, snorkel and fins of the Dagon Company guided by an experienced underwater sportsman and accompanied by a boat, vacationers will be taken in groups of six to eight on a 1½ hour tour of the submarine landscape adjoining the beach.

WORLD STUDENTS ELECT OFFICERS

The 11th Congress of Jewish Students which recently concluded its proceedings in Jerusalem, elected Professor E. D. Bergman of Israel as President of the Union; George Rosenstein of Switzerland as Chairman and Aharon Assah of Israel as Vice-Chairman.

The executive is composed of representatives from England, France, South Africa, Argentina and Switzerland, with a place left for an American delegate if occasion arises.

AUGUST 31, 1955, IS THE DEADLINE FOR FILING INCOME TAX RETURNS.
Residents!
Do not delay in submitting a declaration of your income.
File an honest return.
Persons not filing their returns on time are liable to a IL1,000 fine or three months imprisonment or both. Anyone submitting a dishonest declaration with the intention of evading payment of Income Tax is liable to a IL 10,000 fine or two years imprisonment or both.

Notices to the Public
DEPARTMENT OF CUSTOMS & EXCISE JERUSALEM
AUCTION SALE No. 2/55
An auction sale of confiscated, abandoned and unclaimed goods will be held on September 4, 5, 6, 1955 at 9 a.m. in the court of the Mahane Yehuda Police Station, Jerusalem.
A list of the goods which will be put up for sale can be seen at the Jerusalem Customs House, Railway Station, and Customs & Excise Offices, Nordia Building, (opposite the Municipality).
W. Levy,
Surveyor of Customs & Excise, Jerusalem.

EMERGENCY PHARMACIES

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Biva, Hatikva Qtr., 67408.
JAFFA: Noga, near Noga Cinema, 81886.
RAMAT GAN: Hersi, 53 Herzl, 72372
GIVATAYIM: Hadassah, Katznelson cor. Modi'in.
HOLON: Ribak, Kikar Struma.
PETAH TIKVA: Assuta, 7 Stampfer.
HAIFA: Masada, 30 Masada, 2987. Nimas, 29 Khouri, 4197.
KIRYAT BIALIK: Bialik, 7220.
SAFAD: Feldman, Nahariya.

EMERGENCY PHYSICIANS

JERUSALEM: Dr. L. Romanoff, 11 Arlosoroff, 41217. Dr. E. Weinberg, 40 Ussishkin, 2582. Dr. S. Greenwald, 23 Bitc Nun, 62963.
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Today's Postbag

THE WEATHER

	A	B	C	D
Mt. Cana'an	45	26	30	31
Tiberias	32	24	28	27
Haifa Port	45	24	30	30
Natanya	58	22	31	31
Tel Aviv Port	74	23	28	28
Lydda Airport	60	25	31	32
Jerusalem	35	17	29	29
Beersheba	—	21	33	33
Eilat	39	26	35	39

*A) Humidity at 8 p.m. B) Minimum temp. C) Maximum yesterday D) Maximum temp. expected today

• • •

THREE PERSONS were seriously injured yesterday at the Kfar Manda approach road. Upper Galilee, when a lorry overturned owing to its faulty steering apparatus. The injured were taken to the English Hospital in Nazareth. The lorry was badly damaged.

• • •

THE FIRST settlement in the central Sharon area, Moshav Herut Bet, celebrated its 25th birthday yesterday. The *moshav* contains many settlers from the U.S. To mark the occasion, the cornerstone was laid of a communal centre (Beit Ha'am).

• • •

ALL THOSE who wish to register their friends and relatives who died in Nazi Europe in the "Yad Vashem" memorial book can receive free inscription blanks at the Yad Vashem offices: 12 Rehov Ben Yehuda, Jerusalem; 21 Rehov Zamenhoff, Tel Aviv; 15 Rehov Ahad Ha'am, Haifa.

• • •

GRADUATES of the College of the City of New York who are interested in attending an alumni reunion are asked to write Prof. Sol Liptzin, 21 Rehov Hapisga, Givatayim.

16 Complete Training Course for Blind

Jerusalem Post Reporter

Sixteen blind men, aged 18 to 45, yesterday received certificates of graduation after completing a nine-month course in basket and rug weaving and brush making, Hebrew, arithmetic and Braille. The ceremony was held at the Hageiberg Hotel in Jerusalem where the men lived and studied during the course. The programme was sponsored by the Social Rehabilitation Department of the Ministry for Social Welfare with the cooperation of the Ministry of Labour.

The men, who were selected from institutes all over the country, will immediately be placed in work, Mr. Yehuda Sokolik, Director of the Department, stated. Six of them will be employed in a brush making factory in Jaffa, with the remainder to go to a similar enterprise, soon to be established in Natanya by the Ministry for Social Welfare.

In his address, Mr. Sokolik stressed that public understanding would be needed in order to provide blind persons with the opportunity to work in all kinds of industry and not just in "protected" enterprises.

Mr. Ben-Avaiom, the handicrafts instructor, who himself is blind, said that the problem of the blind would never be solved until a special Government body was established to deal with the matter.

Expressing gratitude in the name of the graduates, Mr. B. Ra'anan hoped that work would be provided immediately and opportunity given for further study.

LOCAL SCIENTIST GOING TO TOKYO AND BOMBAY

REHOVOT, Monday.—Dr. Moses C. Sheinesyaz, of the Experimental Biology Department at the Weizmann Institute of Science, Rehovot, has accepted a "cordial invitation" to participate in the scientific seminar on family planning, which will be held in Bombay, from November 10 to 13 this year.

The seminar has been organised by the Family Planning Association of India, from which the invitation was received.

Dr. Sheinesyaz is responsible for research in endocrinology and reproduction physiology at the Institute.

He plans to attend the Bombay seminar on his way back to Israel from Tokyo, where he has been invited to take part in the Fifth International Congress on Family Planning of the International Planned Parenthood Federation and the Family Planning Association of Japan during October.

RATION NEWS

JERUSALEM — Frozen meat: 150 gms., coupon 33, temp. 19.
TEL AVIV and SOUTH — Poultry: 500 gms. for elderly persons, Mem 28. Frozen meat: 150 gms., coupon 35, temp. 19. Invalids: 500 gms. for each of coupons Het Gimel 6 and 7.

Most of Reparations Industrial Projects 'Well-Advanced'

By Our Economic Editor

TEL AVIV, Monday. — The major part of the industrial projects included in the DM.280m. programme to be financed out of German Reparations is already well advanced, and the Shilumim missions is conducting tentative negotiations prior to placing the final orders for these projects, Dr. F.E. Shinnar, head of the Shilumim Corporation, told a Press conference here today.

However, it will take six to 18 months from the actual placing of the orders until delivery in the case of smaller projects (mainly intended for replacement and extension of existing plants), and several years in the case of new industrial ventures involving new planning from scratch.

In some instances, covering perhaps one-third of the total amount, expert examination of the projects has not yet been completed. These include the proposed iron smelting plant, concerning which a decision has been postponed until more technical and cost data have been assembled regarding the processing of local iron ore.

Dr. Shinnar categorically denied rumours about the allocation of Reparations funds for "pet projects" without careful examination. All proposals are analysed from different angles, including employment, earning power, export prospects, and saving of foreign currency, while the final decision was with the Economic Ministers' Committee and the Planning Sub-committee for Reparations under Mr. David Horowitz's chairmanship.

A big slice of the whole amount was allocated to plants connected with the utilization of local minerals. There was also a series of medium-sized plants, chiefly of the chemical industry, and renewals and extension orders for some 125 existing factories, which alone amounted to about DM.80m. Some orders for irrigation equipment and marine installations were also contemplated.

No Rise in Prices

To date, there was no marked rise in German prices and there was no question of Germany's ability to continue to supply the Reparations goods even under the new circumstances involving German rearmament. As a matter of fact, Germany's foreign currency position will improve as a result of rearmament, Dr. Shinnar pointed out, citing German statistics. He was also positive of German industry's readiness to supply the goods under the financial terms of the Reparations Agreement.

So far, about one half of the total Reparations supplies have been equipment and development goods, one third has been in raw materials including wheat, and one-fifth, fuel.

German ships will continue to call at Israel ports, he said, as stipulated in the Agreement, and in some cases German experts will need to be invited to install machinery and train local personnel — unless we want orders to be wasted. The question of an official German representation in this country, would also arise before long, particularly as regards the granting of visas and certificates to persons claiming compensation from the Bonn Government.

No Hope for Cinema Matinees in Jerusalem

Jerusalem Post Reporter

Matinees at Jerusalem cinemas will not be resumed in the near future, it was understood yesterday in Jerusalem from Ministry of Finance and cinema owners sources. The average attendance at matinees is from 70 to 120, and cinema owners claim that with the present excise taxes on tickets, they operate at a loss.

Jerusalem has 11 cinemas while Tel Aviv has only 16 with a much higher population. Matinees in Tel Aviv average over 300 per attendance, which covers the cinema's expenses.

While the Finance Ministry does not plan to reduce the taxes in the Jerusalem area, and does not think that the tax prevents attendance, it reasons that the number of cinemas here is too large resulting in the comparatively low attendances.

The Government insists that the popular-priced tickets of the front rows be maintained because they form part of the Cost-of-Living Index, and feels that these prices should not be increased because of the low attendance.

ZEALOTS STONE HOUSE, INJURE GIRL

A shower of rocks, thrown through an open window by zealots in the Meah Shearim quarter on Saturday to "silence" a radio, injured a five-year-old girl. The girl, daughter of Mr. and Mrs. Hanania Shaul, is under medical care.

Police, who have opened an investigation, report that considerable damage was caused to the furniture. *(Itim)*

AN AUTOMATIC telephone exchange will shortly be opened in Ashkelon, the Post Office announced yesterday in Jerusalem. Efforts are also being made to improve the quality of telephone transmission in that town.

Pottery of Abraham's, Solomon's Day Found

EILAT, Monday. — Pottery from the days of Abraham and King Solomon has been found in and near Wadi Amram, near here, Professor Nelson Glueck said in an address here last night. *(Itim)*

Rabbinical School To Open in Moscow

The opening of a rabbinical seminary in Moscow has been promised for the near future by Chief Rabbi Schleifer of that city, "Ma'ariv" reported yesterday, quoting a Canadian Jewish tourist recently returned from a visit to the Soviet Union.

The Canadian, Mr. Y.B. Salzberg, also reported the publishing of the first High Holiday prayerbook to appear for many years.

Mr. Salzberg said that the Rabbi had told him of many improvements in the religious and community life of his congregation. In other parts of Russia, Mr. Salzberg reported seeing a widespread renaissance of Yiddish, with new books appearing and Yiddish entertainers playing before full houses.

U.S. LABOUR ZIONISTS BUY $20M. IN BONDS

Almost 100,000 members of the Labour Zionist Organisation of America have purchased Israel Bonds to the value of $20m. in the last four years. This was reported yesterday at the Treasury to the Minister of Finance, Mr. Levi Eshkol by a delegation representing the Labour Zionist group in the U.S.

At the same time, the delegation presented Mr. Eshkol with an album containing the names of 12,000 individuals and organizations which bought bonds in the last few months of 1952 in memory of the late Eliezer Kaplan, first Finance Minister of Israel.

The delegation, which consists of Messrs. Myer Brown, Louis Segal, B. Zuckerman, Beryl Frymer and Mmes. Israel Goldstein, Devorah Rothbart and Blanche Fine, promised Mr. Eshkol that the Labour Zionist Movement would continue to press its activities on behalf of Israel Bond sales.

"Chaotic" Yiddish Beats Translators

Yiddish has presented the most difficult simultaneous translation problem at the Zionist General Council meeting, Mr. Adam Ben-Moshe, chief translator, told *The Jerusalem Post* yesterday. This is not because of the problem of speed (his staff can "easily translate up to 200 words a minute," Mr. Ben-Moshe said) but because speakers in Yiddish tend to be "a bit chaotic."

Two translators work alternately at four booths set up at one end of the hall, transmitting speeches into Hebrew, English, French and Yiddish. One booth always has "a chance for a smoke," depending on the language of the speaker.

Mr. Ben-Moshe, who is fluent in German, Hebrew, Polish, English, French, Spanish and Russian, worked as a United Nations translator from 1948 to 1951, when he came to Israel to set up a similar system for the Zionist Congress of that year. Each of the staff is paid IL30 a day, for the all-day sessions, which begin at 9:30 a.m. and last till about 11 p.m. (Sunday's went on till almost 1 a.m. yesterday).

Visiting Army Officers Tour Installations

LYDDA AIRPORT, Monday. — Sixteen high-ranking officers of the British, Canadian and U.S. Armies left today on a special British military Valetta aircraft after a three-day visit, during which they toured military installations and met the Chief of Staff, Rav-Aluf Moshe Dayan.

The group, made up of members of the British Imperial War College, was led by Major General G.S. Thompson.

All members of the group were dressed in Army uniforms. They were escorted to the Airport by Sgan-Aluf Ami Perlin, Sgan-Aluf Shaul Ramati and Rav-Seren Silverman of the Air-force, as well as the Air and Army Attache of the British Embassy.

During their tour in this country, which began when they entered Mandelbaum Gate, they visited Nahal Oz near the Egyptian border, and saw the damage done there by the recent Egyptian attack. *(Itim)*

Lawson to Present Atomic Library

TEL AVIV, Monday (USIS). — The U.S. Ambassador, Mr. Edward B. Lawson, will present a technical library on atomic energy to the Israel Government on Wednesday. Prof. Ben-Zion Dinur, Minister of Education and Culture, and Prof. E.D. Bergmann, Chairman of the Israel Atomic Energy Commission, will accept it on behalf of the Government. The ceremony will take place at 11.00 a.m. at E.O.A. House in Tel Aviv.

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1st J'lem Council Meeting Put Off

Jerusalem Post Reporter

The first session of the Jerusalem Municipal Council, scheduled to be held this evening, has been postponed to Sunday evening by Mr. S.B. Yeshaya, Jerusalem Chief Commissioner. He set the new date as there was no assurance that the Councillors could come to an agreement by this evening on electing a Mayor, it is learned.

Sunday will be the thirteenth day after the results of the election first appeared in the Official Gazette *(Reshumot)*, and the law states that the first council session must be held within 14 days of gazetting.

The law also reqires that the prospective Mayor, who must be a member of the Council, must be elected by open vote by a simple majority of the Councillors, (11 out of 21 in Jerusalem) during the first ballot. If no one is chosen, a second ballot will be held. This can be postponed until the next day.

In the second and all succeeding ballots, the candidate is required to receive a majority of the votes of the "members voting." This means that he may be elected by less than 11 Councillors.

The third ballot must be held on the same day as the second, but the fourth may be postponed for the following day. In the fifth and any further ballots, the candidate who receives the least number of votes will become ineligible for Mayor. In the event of two candidates receiving the same number of votes cast, the chairman will arrange for them to draw lots, the loser to drop out of the mayoralty race. Should the chairman himself be a candidate, another Councillor specially appointed for this purpose will arrange the drawing of the lots.

It was announced that the water pipeline to the capital was repaired yesterday, and by noon, water was flowing as usual.

Reuther, McKeldin Expected Today

NEW YORK, Monday (Reuter). — The President of the Congress of industrial organizations, Mr. Walter Reuther, left last night by air for Paris on his way to Israel. Accompanied by Gov. T. McKeldin, chairman of the America-Israel Society, he is expected in Israel early tomorrow evening.

He will dedicate a cultural centre built at Eilat by the Histadrut, with the assistance of a $100,000 grant from the Philip Murray Memorial Foundation.

The delegation, in addition to Mr. Reuther, will consist of Mr. Joseph Brophy, Vice-President of the C.I.O. and President of the Communications Workers of America, Mr. John Brophy, Head of the C.I.O. Community Services Department, Mr. Dan Benedict, Assistant Director of the International Relations Department of the C.I.O., and Mrs. Reba Gilpin, Secretary to the President of the Textile Workers Union of America.

Shoham Explains Negbah Mishap

HAIFA, Monday. — A slight lowering of the water level at the new wharf in the Port of Genoa during the ebb had caused the s.s. Negbah to become partially stuck in the mud that covers the bottom of the Port, and to develop a list at the time of her departure on August 18, Shoham announced here officially.

The other cause was the fact that the distribution of the ballast in the tanks had not yet been completed. The list did not exceed 14 degrees, the company states, and the ship regained her balance within a few minutes without any outside help, and continued her voyage to Marseilles according to schedule.

The Ministry of Transport ship surveyor here said yesterday that the Negbah's log book contained no entry on the incident, which could not have been serious and therefore was not a cause for inquiry.

'Common Sense' Exported to U.S.

HAIFA, Monday. — "Common Sense" was among 35 items exported from Israel to the U.S. shipped through Haifa port last week. In addition to the Common Sense paste, which kills cockroaches, the list contained a large variety of other minor commodities, which went to 15 countries as far apart as Australia, Nigeria, Switzerland and Argentina. Altogether 36 items, totalling 3,151 tons, were shipped abroad, including 2,200 tons of cement.

For the first time in years, Turkey received nothing but 2,089 tons of cement. Belgium took second place by weight, with 640 tons of scrap iron. Burma received 200 kg. of medical supplies.

Jordan Seen Nearer Agreement on Water

The gap between Mr. Eric Johnston, President Eisenhower's Special Envoy to the Middle East, and the Jordan authorities, has "narrowed considerably," the special correspondent of "El Jihad" in Amman reported yesterday, and much progress has been made on Mr. Johnston's last series of talks.

The Jordanians are definitely inclined to accept the water development project, he said, provided that the other Arab states affected agree to the Jordan point of view and that sufficient guarantees are given that the scheme is of a purely economic character and would not imply any solution of the "Palestine problem" or forfeit the right of the refugees to return to their homes.

The Jordan negotiators have obtained satisfactory concessions from Mr. Johnston on the building of a dam on the Yarmuk River in Jordan territory instead of using Lake Kinneret as the storage shed, he added. The new dam would store 480m. cubic metres of water, instead of the originally proposed 300m. cubic metres. The correspondent adds that Johnston also agreed that Jordan should receive 145m. c.m. of water south of Lake Kinneret, 45m. c.m. more than was called for originally, and that all surplus Yarmuk waters would be diverted to Jordan, and not into Israel territory.

An official statement on the results of the talks is expected in a few days, the paper concludes.

SOLDIER SHOOTS SELF AFTER KILLING ANOTHER

A soldier at an Army base shot and killed himself on Friday after killing another soldier, the Army spokesman announced yesterday. No names or further details have been released.

Lack of Workers Delays Building

Jerusalem Post Reporter

TIBERIAS, Monday. — Lack of skilled building workers is holding up the construction of dwellings for the thousands of newcomers from North Africa who are to be settled in Galilee. The building of some 400 homes in Kiryat Shmoneh and Hatzor cannot be undertaken owing to lack of trained men.

The Jewish Agency has not yet solved the problem. The import of labour from the towns is highly expensive because the men demand allowances for board and lodging away from their homes. An experiment to train the new settlers on the spot as building workers has proved disappointing because the candidates, mostly breadwinners for large families, prefer making a living wage, however low, rather than go without income for several months during the training period.

The Jewish Agency is now trying to find the means for a special fund with which to pay advances to the trainees for the maintenance of their families, until they can earn wages as skilled labourers.

The fund will also serve to pay the extra money needed for wages for imported labour.

Murder Suspects Not Yet Charged

Jerusalem Post Reporter

TIBERIAS, Monday. — Police have not yet filed charges against six Druze villagers from Galilee who were detained yesterday in connection with the murder of Youssef Hussein Safadi, the Jewish National Fund watchman from Mount Atzmon, on the night of August 18. All the detainees are of Peki'in village, in Upper Galilee.

The men, held on suspicion of aiding the murderers, were brought before the Haifa Magistrate yesterday for remand, which was granted.

At an identification parade in Peki'in in which hundreds of Druze and Arabs participated, the wife of the murdered man picked out the six Druze as resembling some of those who were in her hut on the night of the murder.

Police believe that Safadi fell victim to a gang from Syria sent to carry out the death sentence imposed on him by the Syrian Government on charges of aiding Israel while living in Syria, but that the gang was helped by local villagers.

ABANDONED. — Dick Haymes, the crooner, said yesterday in Hollywood that his wife, Rita Hayworth, had left him. "I am so distraught I can hardly even talk but I love her and I know we will get back together."

Cyprus Anticipates Failure Of London Tripartite Conference

By IRIS K. RUSSELL, Jerusalem Post Correspondent

NICOSIA, Monday. — Even if the tripartite London Conference on Cyprus, which began today, does achieve a semblance of success, indications on the island are that the vexed question of *Enosis* will be far from solved.

Military and police preparations throughout the island, now geared to an unprecedented pitch of readiness, suggest that Britain herself is not very optimistic about the outcome of the London Conference. If it fails, the authorities anticipate a renewed burst of trouble.

From the welter of pre-conference statements by Greeks and Turks, plus a liberal dose of "informed," or rather inspired, diplomatic forecasts by British columnists, the following picture emerges.

1. The Greek Government appears set on demanding self-determination for the people of Cyprus — and will not haggle much if this is promised within a few years.

2. Turkey wants "at least" the continuance of British rule over the island and has successfully impressed the British that any talk of self-determination will make her bring up arguments for union with Turkey.

3. Six hundred right-wing church elders under the presidency of Archbishop Makarios passed a resolution at yesterday's "national assembly" here that, as Cyprus Greeks were not invited to the Conference, they will not be bound by its decisions—particularly so if the decisions fall short of granting immediate self-determination.

"In Due Course"

4. Britain's idea of a satisfactory solution appears to be based upon an offer of a liberal constitution which might lead to independence "in due course" and which would guarantee her forces a headquarters and bases on the island for a long time. The Russian threat to the stability of the Middle East, economic dangers and strategic values are favourite British arguments in this connection.

5. Left-wing Cypriot Greeks reject the London Conference outright as "a trap." Furthermore, they are violently opposed to the idea of giving any privileges to Britain for military bases.

6. Cyprus Turks sonorously state that if the London Conference decides on anything other than the continuation of the *status quo*, they will actively campaign for the island's return to Turkey.

On one point alone are all sections of Cyprus united—they reject any offer of a constitution.

Considering all this, can the London Conference achieve anything constructive? Hundreds of E.O.K.A. underground terrorists on one side and 40,000 British troops on the other are facing this question in Cyprus. Certainly a bizarre if not tragic backdrop to the Lancaster House Conference.

Demonstrators Want 'Free' N. African Immigration

Jerusalem Post Bureau

TEL AVIV, Monday. — A demonstration calling for mass immigration from North Africa was held this morning in front of the Jewish Agency building here by several dozen North African immigrants from Magdiel and vicinity.

The demonstration, organized by four inhabitants of Magdiel — not a predominantly North African centre — sent a call to the North African immigrant settlements in the South during the past few days to assemble at 11 o'clock this morning near the Great Synagogue on Allenby Road. However, instead of the 300 expected, only about 70 appeared, most of them from Magdiel and environs.

From the Great Synagogue, the procession made its way to the Jewish Agency building, and the organizers went in to present their demands to the Director of the Agency's Immigration Department. The remainder managed to collect a crowd with their cries of: "We will not permit the immigration of only 45,000 a year — we demand the immigration of all North African Jews," and "We will not permit the immigration of 'selectees only' — we demand aliya for everybody!". On the pavement, two young men held a poster which read "Save the Jews of North Africa — Help before it is too late."

Delegation Received

The four-man delegation was received by Mr. A. Yashuv, the Director of the Immigration Department, and returned with the assurance that their demands would be forwarded to the Jewish Agency Immigration Department in Jerusalem. The answer sufficed, and the demonstrators dispersed quietly and returned home.

Mr. Yashuv said that when he met the delegation he explained the difficulties of the position to them and pointed out that the Zionist General Council was now in session dealing with the problem they were raising. He had further expressed his surprise that the Magdiel demonstrators had acted outside the framework of the organization of the North African immigrants in this country, which is working in cooperation with the Jewish Agency, it was learned.

40 More N. African Families at Ofakim

BEERSHEBA, Monday. — Another 40 families from North Africa will join Ofakim, the new regional centre for the Merhavim area settlements, next month. A similar number of families were the first to settle there three months ago, and construction is now going ahead on an additional 100 housing units and other buildings.

Ihud Hakvutzot ve Hakibbutzim and the Ministry of Labour are planning to start a course for 30 tractor drivers and tractor mechanics at the centre, where Kibbutz Urim is to install a workshop. The American settlers at the *kibbutz* are receiving the workshop from their parents' committee in the U.S. It will be a complete unit for the repair and overhaul of motors.

Other Merhavim area settlements are also starting enterprises at Ofakim, it is understood.

Good Prospects For Water in Lachish Area

Geological surveys have disclosed that there are good possibilities of finding underground springs in the Lachish area, Mr. Z. Shiftan, Director of the Water Department in the Geological Institute, announced yesterday. It was formerly believed that there was no water in this area.

It is now estimated that underwater springs providing five to 20 cubic metres per hour can be found in the Lachish, Dawayima, Deir Duban and Beit Guvrin areas. This water supply will be provided for domestic consumption only and not for irrigation.

LOST
Gold Wrist Watch on August 26, 1955, between Nahlat Binyamin, Rothschild Blvd., Allenby Rd., and parking place on Rehov Yehuda Halevy.
GENEROUS REWARD
Please return: Lewy, 14 Rehov Peretz Chajoth, Tel Aviv.

Cables in Brief

RADIO. — The development of a miniature rescue radio weighing only 15 ounces and primarily intended for use by fighter pilots has been announced by the U.S. Air Force. It can be used for two-way conversations up to a radius of 100 miles or it can be set to broadcast a continuous signal to fix the position of a stranded airman.

GUNMAN. — 5,000 persons watched in horror as 200 policemen fought a four-hour gun battle on Sunday night with a crazed bandit holed up in a house in a fashionable district in Detroit. Before receiving a fatal wound, the gunman succeeded in wounding a high-ranking police officer.

EDUCATION. — Soviet school children are to be given a basic grounding in agriculture, machine building and electro-engineering under a new curriculum which comes into force on September 1.

CARS. — The number of motor vehicles — private cars, buses, and lorries — registered in the U.S. is likely to total 61,301,000 by the end of this year. This is nearly three million more than in 1954.

Olin Downes Dead

NEW YORK, Monday. — The death occurred here last week of Olin Downes, "The New York Times" music critic, at the age of 69.

Downes was the dean of American music critics, and had been with the "Times" since 1924 — his last article having appeared only three weeks ago, just before he entered hospital with a heart ailment. He was recognised as an authority on Sibelius, and was made a Commander of the Order of the White Rose of Finland for his early appreciation of the composer. He was also a Chevalier of the French Legion of Honour. He lectured at Boston University, Harvard and at the Brooklyn Academy of Music.

Mr. Downes was interested in humanitarian causes and in politics, having campaigned for the re-election of Woodrow Wilson in 1916 and for Henry Wallace in his campaign for the Presidency in 1948. He served on many committees, including the Anti-Fascist Refugee Committee and the Independent Citizens Committee of Art and Sciences, and was one of the supporters of the Cultural and Scientific Conference for World Peace, which was held in New York in 1949 and attended by Shostakovich.

Truman Attacks Republicans

MACKINAC ISLAND, Michigan, Monday (Reuter). — Former President Harry Truman tonight attacked what he termed the "Big Business-dedicated" Eisenhower Administration, predicting that the "people will win their government back from the forces of special privilege."

Making another of his "Give'em Hell" speeches, Mr. Truman accused the Administration of "undermining laws it is supposed to administer" and chided it for failure to balance the budget.

His speech, the second major one in three days, was prepared for delivery at the Michigan Democratic Conference.

WALKING RECORD

BUDAPEST, Monday (UP). — A Hungarian worker, Janos Somogyi, broke the world record for the 50-kilometre walk clocking four hours 28 minutes 24.8 seconds here yesterday.

The former record holder, J. Ljungren, of Sweden, had made it in four hours 29 minutes 50 seconds.

SIXTEEN YOUNG girls from Eastern countries yesterday received certificates in Beersheba after completing a dressmaking course given by the Ministry of Labour and the Working Women's Council. Most of the students have already found jobs.

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Our beloved wife, mother, grandmother, sister, and sister-in-law
Mrs. Steffi Rabinowitz (nee Landau)
formerly of Bielitz
passed away suddenly on August 21, 1955, and was laid to rest in Vienna.
Josef Rabinowitz, husband, 26 Rehov Frug, Tel Aviv.
Felice and Leon Schmorak, Haifa) children.
Karola and Artur Rabinowitz, Haifa)
Dan Schmorak, grandson.
Roman Landau, Rio de Janeiro, brother.
Hanka Gotesman, Rio de Janeiro, sister.
Dr. Leo, Jacob and Bruno Rabinowitz, brothers-in-law.

Attention, all persons owing payments to the Compulsory Loan (Milveh Hovah)!
Tomorrow, August 31, 1955, is the deadline to pay 15% of the total amount assessed of the Compulsory Loan.
Pay immediately and avoid paying the fine and interest.
Today and tomorrow the Cash Offices will remain open until 6 p.m.
MINISTRY OF FINANCE — COMPULSORY LOAN

Economic News from Abroad

Mexico's New Industries

● A new industrial city at Sahagun, about 80 kilometres from Mexico City is being developed to house mainly government-financed industrial enterprises. A railway box-car factory went into operation there in January and is to produce 1,000 wagons a year, thus eliminating the expensive necessity of hiring railway cars from U.S. companies. Since June, a Diesel assembly plant is putting out buses, lorries and farm tractors. At present, the Diesel engines are assembled from imported parts, but next year it is planned to make them entirely in Mexico from local raw materials. The plant's equipment has been supplied by the Italian Fiat company, which is also lending its technical supervision under a five-year contract. A factory for cotton textile machinery is being erected by the Japanese firm of Toyody.

U.S.-Brazil Wheat Deal

● In keeping with its difficult financial position, Brazil is to purchase 500,000 tons of wheat from the U.S. on special terms — in cruzeiros, of which the U.S. will spend 30 per cent in Brazil, partly to buy strategic minerals and partly for local administrative expenses. The remainder will be loaned to Brazil to finance economic projects. Unlike a similar arrangement with Japan, no debt repayment is stipulated. The operation will involve some $35m.

Japanese Optimistic

● Japan's industrial output is to rise at an average annual rate of 4.2 per cent, according to blueprints drafted by the Economic Counsel Board, and in 1958, the national living standard is to be 10 per cent above the 1954 level. Though the programme will barely keep pace with the rapid increase of the country's population, many observers feel it is too optimistic. Meanwhile, Japanese export targets for the current year have been raised by over 10 per cent following Japan's entry into GATT and the favourable development of U.S. economy. It is also hoped that trade with China will grow so as to compensate Japan for her recent setbacks in other Asian markets.

Stable Wool Prices

● A further period of stable wool prices has been predicted by the last survey of the Commonwealth Bureau of Agricultural Economics. World consumption of wool is now some 20 per cent larger than the pre-war average, but has been slightly declining over the past year. In 1954, U.S. consumption fell by 23 per cent to its lowest level since World War II, while the rest of the world showed a small increase. This year, wool consumption has been declining in Western Europe, particularly in Germany and Italy. The world's sheep population and wool production has not changed substantially over the past years.

No More U.S. Butter Surplus

● The U.S. Government's huge butter stocks have been cut by more than half in the past year, and may be nearly liquidated by next spring. Cheese stocks acquired under the price support programme also went down by more than one-third, and non-fat dry milk stocks were halved. Somewhat less than half of the 200,000 tons of butter disposed of was given away to school lunchrooms and other U.S. institutions, while the rest was given in relief or sold at cut prices to foreign countries. The stock position has also been improved by reduction of the Government support programme and by an increase in milk consumption.

India's Industrial Fair

● An Indian industries fair, to be held in New Delhi from October 29 to December 15 this year, is to be the greatest ever held in Asia. The countries represented will include the U.S., Russia, China, Britain, West and East Germany, Yugoslavia, Poland and Austria.

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THAT the world likes to be deceived is an old dictum, but seldom has public opinion so openly connived at an act of self-deception, and public authorities gone to such lengths — and sums — for the sake of maintaining statistical fictions as in the case of the C.o.L. Index in this country. That this is being done by hard-boiled Treasury officials is, however, evidence that there is something serious about this operation, which has become part and parcel of our wage policy in recent years.

KEEPING THE INDEX DOWN

Since 1941, following the historic Wood-Horowitz agreement, wage policy has been based upon safeguarding the real purchasing power of the employees' pay (or at least some "basic" wages) whatever changes may occur in the purchasing power of the local currency, and the index is a yardstick for measuring this depreciation and the wage increments to be paid because of it.

A rise in the index, therefore, spells higher wage costs to all employers. But while private producers and traders may nevertheless benefit from the process, as prices (and profits) must palpably have risen in order that wages follow suit, this is not the case with the biggest employer, i.e., the Government, and other public bodies, for tax receipts naturally tend to lag behind incomes.

Any substantial rise in the Index would therefore wreak havoc with approved official budgets, driving authorities into deficit financing thus increasing the danger of inflation. It has been calculated that a rise of one point, i.e., of less than half of one per cent, in the index, costs the Treasury IL0.9m. per annum (the bill for the whole country is perhaps IL8m.) and the three points added since April must thus swallow the entire "general reserve" included in the ordinary budget. In his budget speech, Mr. Eshkol actually hinted that he expected a drop in the cost of living, so anxious was he to prevent a further rise.

But just how can this be achieved? In the old days, "official" prices could be inserted into the statistical tables despite the fact that no commodities were available for those prices in practice; or token rations regarded as sufficient proof that the consumer did not have to resort to the black market with its hair- and Index-raising prices; or cheap "substitutes" fallen back upon in order to keep up the appearance of unchanged supply. Gradual decontrol on the one hand, and watchful criticism of the Labour bodies on the other, have largely put an end to such doubtful devices. The Cost-of-Living Index, as it is computed today by the Central Bureau of Statistics and Research, has won a reputation for its validity, as becomes a true democracy, and has lately even become adopted as a yardstick for the repayment of "linked" loans and debentures.

The present operations of the Treasury, as a matter of fact, do not aim at influencing the computation of the Index directly. They are genuine subsidies spent on the market and intended to benefit the consumers. They do not, therefore, distort the picture of relevant prices from the limited statistical point of view, but in a wider economic context they can only be regarded as a (perhaps inevitable) waste of energy. Being but stop-gap measures, they are so roughly implemented that in reality their benefits are mainly reaped by traders and speculators, while from the theoretical point of view the facade of stability which they are building up is an old-fashioned pattern that loses importance with every change in our economy.

Like all subsidies, cost-of-living allowances deal with symptoms, not with causes, and thus create wrong impressions instead of urgently needed lasting solutions.

GOOD MARKET FOR GILT-EDGED

By Our Economic Editor

THE conspicuous success of the public issue of Palestine Electric Corporation debentures has made history in this country's financial development in that it conclusively proved that there is a domestic market for gilt-edged securities provided they are offered at suitable terms and adjusted to the predilections of local investors.

To be sure, the terms are not easy (from the borrower's point of view): a rate of interest of 6.5 per cent and an average repayment period of but six years, added to the linking of both capital and interest to "inflation-proof" values (c.o.l. index or dollar rate). And the absorptive capacity of the local capital market is certainly limited. But what matters is that a direct connection has at last been established with the saving public, whose resources can now be utilised for productive investment in a more efficient manner.

Capital Needs

Given proper care and more or less stable monetary conditions, it can take a comparatively short time to develop a healthy gilt-edged market, on which borrowing terms would be normally governed by the relation of supply and demand for capital. It is to be hoped that at least the underwriting fee of 2.5 per cent will be cut appreciably at the next similar issue.

The particular situation of the borrowing body is obviously of minor importance for a paper endowed with full government guarantee. Nevertheless, it should be kept in mind in order to foresee its future requirements, as it is highly unlikely that the present issue will satisfy more than a part of the PEC's capital demand.

The issue prospectus does not provide much information in this respect, apart from a statement that the company is now engaged in the erection of two power stations, one of 40,000 kW in the North of Tel Aviv and one of 100,000 kw (at Sukreir), the first of which is to be ready in course of next year and the second partly in spring of 1957. The prospectus also mentions "considerable extensions" of the electric transmission and distribution system, in particular the construction of the new high-voltage (110,000-volt) grid lines.

As a matter of fact, in 1954 the total length of the high-tension lines increased by 248 km. i.e. 10 per cent, and that of the low-tension lines by 303 km. (13 per cent). Among the works now at hand are a second high-voltage line to Jerusalem and big extensions in the Negev (45 km. to Beersheba) and in the North Galilee. In 1953 the company's investments amounted to IL 18m., of which IL 6m. were for the Reading station, IL 3m. for the Sukreir station, IL 1m. for transformer stations, IL 2m. for extensions of the distribution system and IL 3m. for materials in stock. No figures have been published so far for 1954, but they seem to have exceeded those of 1953. For 1954/55, according to official statements the investment programme is to reach IL 94m. in local and IL 5m. in foreign currency (there is also IL 25.5m. in new orders to be placed by the Shikmim Corporation, chiefly for generating equipment for future power stations).

The company is expected to spend on the programme IL6m. from its own depreciation reserves and from consumers' deposits and pre-payments. It has been allocated a loan of IL8.5m. from the Development Budget, but this leaves us with one half of the projected expenditure not provided for. (The other IL8.5m. allocated for electrical equipment in the Development Budget are apparently identical with a part of the Shilumim orders). And the gap is evidently much in excess of the IL10m. mobilised by the present debentures issue.

Government Loans Converted

Hitherto the burden of financing the rapid development of the country's electric system has chiefly been carried by the Government — this was the reason for the ultimate nationalization of the PEC — but now this policy is apparently to be changed. Moreover, a marked shift has recently taken place in the company's indebtedness to the Government. While in 1954 the Government's account rose from IL-5.5m. to IL8.5m., this debt (and some more) has been wiped out by the issue of £2.25m. of 4.5 per cent second redeemable cumulative preference stock (i.e. IL-11.25m.) last month.

This was presumably done — on the eve of the present issue — in order to keep a proper relation between own means and loaned capital, but other considerations may also have played a part. It is at any rate to be regretted that no word of explanation has accompanied this major change in the company's financial status (negligible though it may be from the cost angle).

Of interest also are figures indicating the PEC's operation results. They show that instead of slowing down, the company's progress continued last year at an increased pace. The total power supplied rose to 901m. kWh, i.e. an advance of 178m. compared with 1953, when the rise had been 85m. kWh, (a relative rise of 25 per cent against 13 per cent). This year figures for May-June again indicate a jump of 19 per cent compared with the corresponding period of 1954.

This is, of course, partly due to the rapid increase in the number of consumers connected, which was eight per cent in 1953, but 12 per cent last year. But the *per capita* consumption of electric power has also risen, both for domestic purposes (domestic lighting, water heating, domestic appliances etc.) and even more so for production. In 1954 the company supplied 17 per cent more power for irrigation, 31 per cent more for industry and 26 per cent more for "other purposes," which, as a matter of fact, account for less than half of the total consumption and are almost equally divided between domestic and trade consumption.

In the current year the total consumption may be expected to reach at least 1,050m. kWh, which would necessitate a production of at least 1,200m. kWh and thus already come dangerously near to the upper production limit of the installed generating capacity of 230,000 kW. The construction of additional power stations must therefore be pursued as fast as possible if we are to avoid the re-imposition of staggered current supply.

Higher Profit Margin

As to cost development, a pleasant surprise seems to be indicated by the figures contained in the prospectus. A rise of the gross income from IL23.4m. in 1953 to IL24.7m. works out at a slight decline of the average receipt per kWh. (form 32.3 pruta to 31.9 pruta in 1954). Though at the same time operation expenses rose from IL20m. to IL24.3m., the average cost price per unit sold dropped from 27.6 pruta to 27 pruta per kWh., with a resultant rise of the gross profit margin from 4.7 to 4.9 pruta per unit.

It would be of interest to learn whether this drop has been the result of accidental causes (e.g. lower fuel prices) or of the greater utilization of the more efficient new thermal generating units, which are to be installed in the Sukreir station too. This is the more important since the trend towards lower average revenue is likely to continue because of the rising average consumption of current in particular by low-tariff irrigation and industrial consumers. However, the crucial question of the adequacy of the present tariff remains unanswered, even by a higher profit margin, for it depends upon the depreciation reserves required. To them the company allotted IL 2.1m. in 1953 and IL 2.8m. last year (out of a gross profit of IL 4.6m.), but whether these amounts can be regarded as sufficient cannot be said as long as the revaluation of the company's assets has not been completed. It is also to be borne in mind that no dividend has been paid on ordinary stock since 1950 and that last year no allocation was made to the pension fund out of profits.

The following figures illustrate the development of the Palestine Electric Corporation in recent years:

	1953	1953	1954
Installed capacity (kW)	130,000	180,000	230,000
Units supplied (kWh m.)	636	725	901
Consumers (thousands)	232	251	290
Gross income (IL m.)	14.6	23.4	28.7
Operating expenses (IL m.)	14.0	20.9	24.3
Gross profit (IL m.)	1.0	2.5	4.4
Net loss or profit (IL m.)	—0.3	+1.2	+1.3

SCIENTISTS — A party of scientists at the British Atomic Research Station, Harwell, on their way to inspect the new heavy water reactor E 443, first of the new D.I.D.O. class reactors, which is seen in the background nearing completion.

Farmers Ask for Cheaper Marketing

By Our Economic Correspondent

THE dearth of vegetables created a stir mainly because it threatened to upset that strange tyrant of our economic life, the Cost-of-Living Index. Now that hectic and adroit management of the Index has kept it down — for the moment — another problem is again coming to the fore: farmers complain bitterly about the huge difference between what they get and the price paid by the urban consumer.

Recently, a new *moshav* called in a newspaper man and showed him the accounts for its tomatoes and cucumbers, 30 per cent of the cost of which were made up by transport, case rental, various equalization funds and what not. Tnuva protested that the calculations were incorrect and that the settlement's grading and weighing of its produce often did not tally with the results at the stations of the marketing cooperative.

The debate between farmer and marketing cooperative is not new. Israel is no exception. The director of Tnuva, Mr. Verlinski, has often stressed the necessity of streamlining marketing along with production. However, we are still far from a real solution of the problem. Transport is as expensive for vegetables as it is for every other branch of our economy. High haulage rates combine with inefficient planning of truck routes to increase transport costs. Marketing conditions in the towns are often bad. Dissatisfaction grows all along the line: the farmer is disgruntled because, despite his work, he is unable to make an adequate profit. The retailer points to the bottom of the crates, where inferior and often already rotten produce is found. And although it denies many of the charges made against its organization, the marketing cooperative is nevertheless in a bad position so long as everything has not been done to mend matters.

Two factors ordinarily combine to force a marketing organization to streamline its work: pressure from the public, which refuses to buy produce that is not good or cheap enough, and pressure from the farmers, if they do not earn enough after all marketing expenses have been paid. Pressure from both ends is now insufficient. The public has become used to asking for vegetables of almost every sort all the year round, and if prices rise above a certain level, there is always the possibility of either raising the Cost-of-Living Index, with a resultant rise in wages and salaries or — as we learned only recently — subsidies by the Government.

Nor is pressure from the farmers sufficiently strong. The old settlements are likely to balance their budget by giving priorities to other crops if the market for vegetables shrinks. And the new ones, not yet able to pull their full weight in influencing the marketing co-op, are also often bewildered by the complicated calculations by which payments are computed. Within the settlements — old and new — vested interests and pressure groups develop, but they do not pull together to bring about the necessary streamlining of marketing. There is, in addition, the disturbing fact that the marketing organization holds what amounts to a monopoly checked only insufficiently by the cooperatives of the so-called middle-class sector.

When rationing was at its height, the settlements often tried to make higher profits by bringing part of their produce to market directly or selling it on the spot to private traders, who came out to the fields and offered good prices and — what was even more tempting — ready money. For a time, these practices threatened the very principle of cooperative marketing and the menace died only with the removal of controls. When a certain amount of controls was re-introduced recently together with the subsidies, the settlers were again tempted to make the most of hungry markets.

Reducing production costs has become a slogan, and it is implemented in many places with the help of mechanization. The time has come for a scheme to reduce distribution costs as well. That there is much room for streamlining and many ways to achieve it, has been repeatedly admitted by marketing co-op. leaders. There are examples abroad to be followed — that of the Migros organization in Switzerland has been cited more than once. Better handling of goods, both in the big markets and in the shops, would result in great saving. Transport, of course, is a major item, but it can probably be tackled only in connection with the overall problem of haulage, which is a headache in every branch of the economy.

Reduction in marketing costs would give a new fillip to production. The 20 per cent decline in vegetable production which was observed this year is partly the result of the drought — and partly of the reduction in acreage which came about because of abundant supplies and declining prices last year. It is this refusal of the settler to go on with increasing the production of certain goods that is particularly disquieting. Not always are other crops introduced instead. Sometimes the settler will try to make good the difference by looking for work outside the farm; he may even quit. If, on the other hand, we reduce both production and distribution costs, we will make it worthwhile for the farmer to develop his land.

Scrap Iron Conversion

By SHALOM COHEN

THERE are sound prospects for the Israel metal industry so long as it is adapted to the economic conditions of the country, according to Col. William R. Martin, USOM industrial consultant, who has just completed his first year of duty here. With a lifetime of experience in foundry organization and metal working all over the world, in charge of ordnance production in the Cincinnati district during World War II, Col. Martin was given his present task with the objective of reducing imports and increasing exports in the local metal industry, thus conserving hard currency.

One thing struck him soon after his arrival a year ago: substantial savings were possible by the collection and use of steel scrap scattered throughout the country. Instead of exporting such scrap, 5,000 to 6,000 tons annually could be put to good economic use. The steel scrap could be converted into pig iron for use by Israel's iron foundries and even better, some of it could be converted into steel castings. Approximately 1,000 tons of steel castings are required every year, mostly by the cement industry (grinding plates), agricultural machinery, track tractors, stone-crushing machinery, railways and mining projects. Besides solving the problem of urgent replacements for breakdowns, these reforms would save some $1m. in hard currency within a year or two.

The scrap can be converted to pig iron by a special plant, and the steel castings made in an electric three-ton furnace. Both projects are being considered by investors with the approval of the Government. Contrary to general opinion, Israel's electric power cost for industrial purposes compares very favourably with the steel casting industry in the U.S. The proposed steel foundry would use only the lighter and waste scrap, and therefore would not conflict with Solel Boneh's "steel town" in Acre, where heavy melting scrap is preferred.

A promising field of development in local manufacture is automative spare parts, of which millions of dollars' worth are imported annually. It is most satisfying to see the progress being made here by the many small manufacturers, and even further progress could be made by importing semi-finished parts, such as forging blanks for gears, universal joints, etc., and doing the machining in Israel. Such forgings are cheap to buy, uneconomic to forge here because of the limited demand. The added value of the finishing would be seven or eigth times the cost of the forging.

Col. Martin has contributed to the organization of the Israel Foundry Association, comprising practically all of Israel's foundries, big and small. One of his present plans is to develop a training course for foundry apprentices, in which the trainees would divide their time equally between classroom and actual work in a foundry. He hopes soon to see the introduction into Israel of shell moulding, which is the greatest revolution in foundry practice in 100 years. Shell moulding is particularly suited for quantity production and precision casting.

Col. Martin is consulted on many metal problems, and looks hopefully to the development of precision machine-work and even a local machine-tool industry. He feels that this country's many small metal working plants have a decisive part to play in Israel's industrial picture. The ingenuity displayed by these small workshops he found "remarkable" and they are eminently suitable for our demands and limited production runs. The challenge of export in competition with highly industrialized countries can be met, if local skill, which Col. Martin ranks very high, is utilized in producing items with high added value. Such products are special tools, precision measuring instruments and machine tools.

Stocks and Commodities

Tel Aviv Favourable to Dollar-Link

TEL Aviv was fairly unchanged with very small movements. On the other hand some of the new issues, and especially the P.E.C. 6½% Debentures 1957-64, met with a very favourable response. This seems to provide a firmer base for the future development of Tavel Dollar, which may be considered attractive with their dollar link and at their present price of 68 per cent.

New York Pauses for Breath

THE curve of the Dow-Jones Indices, which had been climbing for several years, has flattened out and even dropped somewhat last week, with industrials at 463.70 as against the July peak of 471.73 and Rails at 137.11 as against this year's peak of 164.30. On the whole, the tone seemed steady, if cautious. Institutions like the big insurance companies tended particularly to shift over to bonds. The moderate adjustment of the market is ascribed to tighter credit.

London Tone More Satisfactory

TOWARDS the end of last week the market seemed to have settled down on a lower level, and the tone was somewhat more satisfactory. Selling dropped off gradually and on Thursday the new account started off fairly brightly, though trading was still restricted. The possibility of further selling, however, could not be excluded: it has become known that some banks, in response to Mr. Butler's request, have started to call in or limit existing overdrafts. This development seems to be drawing attention again to short-term gilt-edged stocks as investment possibilities. Reuter's industrial index at the end of last week was 239.7, only very slightly higher than the week before. Oil and Copper provided bright features in the market by closing very firm on Friday.

Gold

On Thursday, the price of gold in London was fixed at 251/5d. per fine ounce, a decline of 1d. from the day before. In Paris the market continued lively. Friday's session showed a firm trend in ingots and almost all coins. Some of the turnover figures were: 400 Ingots, 70,000 Napoleons, 70,000 Eagles, 15,000 Swiss and 12,000 Sovereigns.

Commodities

ON the commodity markets the trend was mixed again, with copper reacting slightly and tin and grains continuing dull both in London and in Liverpool. Rubber was somewhat higher on the London Rubber Exchange in the middle of last week, spot rubber being quoted at 3/5-3/8d. a lb. on Wednesday. Prices at Adelaide wool sales for 1955-56, which are to take place today, are expected to be about 10 per cent lower than closing levels in June of the previous season. Total offers will be well above last season's figures.

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Tel Aviv Stock Market

AUGUST 29, 1955

Pop. Loans	
1949/50 (IL10)	105½
4½% Tavel Dollar x)y)	68½
3½% Gov. Bds. (large)	99½
4% Reg. Sterling "A" c)	93½
4% Reg. Sterling "B"	94½
Pal. Econ. Corp. Ser. 3	79½
Pal. Loans ord. sh. d)	247
A.P.E. Investm. ord. sh. "B" c)	108½
Gault ord. sh. "B" c)	101
Elkes's Inv. ord. "B"	145½
P.E.C. Inv. ord. "B" sh.	100½
Gen. Mortg. Bk. ord. sh.	79½
Bitur 4% debs. 56/65	67½
Nir 4% Debs. (bear)	91
5% pref. sh.	77½
Pass 4% debs. 60/64 reg	89½
5% debs.	84
I.L.P.C. ord. sh. reg.	127½
5% debs.	91
Afr. Pal. Inv. ord. sh.	83
Hassco 6% pref. ord sh.	87
Pal. Potash 6% pref. sh.	255
"A" ord shares	140
Pal. Elec. ord. sh. (Inv.)	260
Pal. Elec. pref. sh. (Ldn)	
Mekoreth pref. sh.	71½
Ata ord. "B" sh.	119½
6.8% conv. debs.	94½
"Kurdaneh" ord. "B" sh	129½
7% conv. debs. 58/63	101
Heller-Dee ord. sh. reg. x	94½
Pal.-Brewery 8% con. sh.	88½
Assis Bejarano "B" sh.	164
"Teva" ord. sh.	118½
Nesher 6% debs. "A"	102
6% debs. "B" (a)c)d)	124
Pal. Cold St. 7% debs. c)	145
ord. sh. reg. (full div.)	220
Pal. Centr. Tr. 8% debs.	96½

Notes: a) purchasing price; b) selling price; c) ex-coupons; d) ex-dividend; e) ex right x) Project; y) 15.6/15.12

Readers' Letters

HIGH INTEREST

Editor, The Jerusalem Post

Sir, — The article by Dr. Barth in your Banking and Insurance Supplement raises some interesting questions. The most important item, in my opinion, is his statement that general operating costs of banks in Israel amount to four or five per cent of the credit volume. This seems to be an extraordinarily high figure. How could banks in other countries work on the basis of such a cost when most of their money is lent at three or four per cent? Regrettably, Dr Barth does not tell us more, but some other points should be taken into account:

The big acceleration in the velocity of money-circulation has doubtless considerably increased administrative work and expenses in the last years. However, this is an abnormal situation, arising out of restriction of credit together with expanding credit needs.

In Dr. Barth's opinion, commissions paid by borrowers cover only expenses for "special services" and do not contribute to general costs. It is, however, a well-known fact that many banks and financial institutions make use of all sorts of devices like high commissions and other extras to get past the limitations on interest.

Banking practices in this country are often cumbersome and far from efficient. In agriculture, for instance, the loan is usually earmarked for a special purpose. In consequence, borrowers carry literally hundreds of individual loan accounts which serve no practical purpose but cause additional work to the bank as well as to its client. If operating costs are such a big factor in the interest rate, something should certainly be done to simplify procedures.

One can understand that the big banks should want to profit from the high rates of interest paid today, and that they have fewer ways than others in exploiting the dearth of credit. But credit today is too costly for our country and there is no sense in abolishing the nine per cent limit which Dr. Barth seems to argue against. You cannot develop a poor country with money at 15-20 per cent and more if you do not want excessive production costs.

The tables in Dr. Grunewald's article on the same page show clearly that the restrictive credit policy of the past years has hardly influenced money circulation. The volume restrictions were largely offset by faster money velocity so that in the relation of money circulation to National Income there is hardly any change in comparison with 1950. The chief difference is that we have to pay for the unneeded concern for volume with exorbitant rates of interest.

Perhaps eventually Mr. Horowitz will concede that the restriction of credit volume is ineffective as a check to inflation if it is accompanied by a sharp acceleration of velocity, and that he could have accomplished the same effect at far lower a price for the national economy.

Yours, etc. J. SHATIL
Kibbutz Artzi Research and Planning Department
Tel Aviv, August 30.

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